

**DEPARTMENT OF EDUCATION**  
**OFFICE OF THE SECRETARY**

Statutory Authority: 14 Delaware Code, Sections 122(b)(8), 181(15), 183, 3402(c), and 3439(b) (14 Del.C. §§122(b)(8), 181(15), 183, 3402(c), & 3439(b))

**PROPOSED**

**PUBLIC NOTICE**

**Educational Impact Analysis Pursuant to 14 Del.C. §122(d)**

**1218 Mental Health Services Student Loan Repayment Program**

**A. TYPE OF REGULATORY ACTION REQUESTED**

Adoption of a New Regulation

**B. SYNOPSIS OF SUBJECT MATTER OF REGULATION**

Pursuant to 14 Del.C. §§ 122(b)(8), 181(15), 183, 3402(c), and 3439(b), the Delaware Department of Education ("Department"), through the Delaware Higher Education Office ("DHEO"), proposes the adoption of 14 DE Admin. Code 1218 Mental Health Services Student Loan Repayment Program. The Mental Health Services Student Loan Repayment Program is a student financial assistance for higher education program that is administered by DHEO. The proposed regulation provides the eligibility criteria, application requirements, and award process for the program. The proposed regulation is consistent with House Bill 480 of the 151st General Assembly, which was signed into law on August 25, 2022. In addition, the proposed definition of Qualified Educational Loan in Section 2.0 and the substantiation requirement in subsection 4.2.3 are consistent with 26 C.F.R. § 1.127-2, the Internal Revenue Service's regulation concerning qualified educational assistance programs.

Persons wishing to present their views regarding this matter may do so in writing by submitting them to the Department of Education, Office of the Secretary, Attn: Regulation Review, 401 Federal Street, Suite 2, Dover, Delaware 19901 or through the Department's online submission form at <https://education.delaware.gov/community/delaware-education-laws-and-regulations/provide-public-comment/> by the close of business (4:30 p.m. EST) on or before August 1, 2023. Any person who wishes to receive a copy of the proposed regulation may obtain a copy from the Department at the Office of the Secretary on the second floor of the Townsend Building, 401 Federal Street, Dover, Delaware.

**C. IMPACT CRITERIA**

1. Will the new regulation help improve student achievement as measured against state achievement standards? The new regulation concerns a student financial assistance for higher education program and is not designed to help improve student achievement as measured against state achievement standards.

2. Will the new regulation help ensure that all students receive an equitable education? The new regulation concerns a student financial assistance for higher education program and is not designed to help ensure that all students receive an equitable education.

3. Will the new regulation help to ensure all students' health and safety are adequately protected? The new regulation concerns a student financial assistance for higher education program and is not designed to help to ensure all students' health and safety are adequately protected.

4. Will the new regulation help to ensure that all students' legal rights are respected? The new regulation concerns a student financial assistance for higher education program and is not designed to help to ensure that all students' legal rights are respected.

5. Will the new regulation preserve the necessary authority and flexibility of decision-makers at the local board and school level? The new regulation concerns a student financial assistance for higher education program and does not change authority and flexibility of decision makers at the local board and school level.

6. Will the new regulation place unnecessary reporting or administrative requirements or mandates upon decision makers at the local board and school levels? The new regulation concerns a student financial assistance for higher education program and does not place unnecessary reporting or administrative requirements or mandates upon decision makers at the local board and school levels.

7. Will decision making authority and accountability for addressing the subject to be regulated be placed in the same entity? The Department, through DHEO, implements the regulations promulgated and adopted relating to student financial assistance for higher education programs that are administered by DHEO.

8. Will the new regulation be consistent with and not an impediment to the implementation of other state educational policies, in particular to state educational policies addressing achievement in the core academic subjects of mathematics, science, language arts, and social studies? The new regulation is consistent with, and not an impediment to, the

implementation of other state educational policies, and in particular to state educational policies addressing achievement in the core academic subjects of mathematics, science, language arts, and social studies.

9. Is there a less burdensome method for addressing the purpose of the new regulation? There is not a less burdensome method for addressing the purpose of this new regulation.

10. What is the cost to the state and to the local school boards of compliance with the adopted regulation? There is no expected cost to the state of complying with this new regulation. The regulation does not apply to local school boards.

## **1218 Mental Health Services Student Loan Repayment Program**

### **1.0 Purpose**

The purpose of this regulation is to provide the eligibility criteria, application requirements, and award process for the Mental Health Services Student Loan Repayment Program pursuant to 14 Del.C. §3439(b).

### **2.0 Definitions**

The following words and terms, when used in this regulation, shall have the following meaning:

"Award" means the Delaware Higher Education Office's decision to make a loan payment on an applicant's behalf.

"Delaware Higher Education Office" or "DHEO" means the Department of Education's office which administers specific programs related to higher education, including student financial assistance programs.

"Qualified Educational Loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational expenses related to an applicant's undergraduate or graduate degree program. Reasonable educational expenses do not include tools or supplies (other than textbooks) that are retained by the recipient after the course of instruction; meals, lodging, or transportation; or education involving sports, games, or hobbies unless such education is required as part of a degree program.

### **3.0 Eligibility**

3.1 In order to be eligible for an Award under the Mental Health Services Student Loan Repayment Program, an applicant shall meet the requirements of subsections 3.1.1 and 3.1.2.

3.1.1 The applicant shall be employed full-time as a school counselor, school psychologist, or school social worker in a Delaware public school for a minimum of 1 school year.

3.1.2 The applicant shall have secured a Qualified Educational Loan prior to submitting the application.

### **4.0 Application Requirements**

4.1 The application acceptance and submission period for the Mental Health Services Student Loan Repayment Program shall be posted on the DHEO's website by December 1 of each calendar year.

4.1.1 Applications shall not be accepted outside of the posted application acceptance period under any circumstances.

4.1.2 Incomplete applications shall not be accepted or processed.

4.2 In order for an application to be considered complete, the applicant shall complete all of the requirements in subsections 4.2.1 through 4.2.3.

4.2.1 The applicant shall certify to DHEO that the applicant meets all of the eligibility requirements in Section 3.0.

4.2.2 The applicant shall provide the applicant's current employment information, lender, and loan amount to DHEO.

4.2.3 The applicant shall provide substantiation to DHEO that the Award will be used for a Qualified Educational Loan as defined in Section 2.0.

### **5.0 Awards**

5.1 The ability to make Awards each year is contingent upon the availability of funds.

5.2 If possible, DHEO shall make an Award to every applicant who satisfies the requirements of this regulation, consistent with Section 6.0 of this regulation. Awards will be determined based on the pool of eligible applicants in the given year.

5.2.1 If there are insufficient funds to make a loan payment on behalf of every applicant who satisfies the requirements of this regulation, DHEO shall give priority to applicants who have the greatest financial need as determined by DHEO.

5.2.2 To determine an applicant's financial need, DHEO shall request the applicant provide the applicant's income and total amount of Qualified Educational Loans.

- 5.3 DHEO shall have the sole discretion to prioritize applications and determine Awards consistent with the requirements of the Program as noted in this regulation.
- 5.4 DHEO shall make a loan payment directly to the applicant's lending agency, on behalf of the applicant, to retire a portion of the applicant's Qualified Educational Loan.
- 5.5 An Award is not renewable.
- 5.6 To be considered for a second and third Award, an applicant shall submit a new, completed application and meet all of the requirements in Section 3.0 of this regulation each year.
- 5.7 An applicant may receive only 1 Award per year and may not receive more than 3 Awards in the applicant's lifetime.

**6.0 Award Payment**

- 6.1 An Award shall not exceed \$5,000 per year.
- 6.2 If an applicant knowingly submits false information or commits fraud in connection with the application process, DHEO may reevaluate the applicant's eligibility for a loan payment and may withdraw its decision to make a loan payment on the applicant's behalf.

**27 DE Reg. 21 (07/01/23) (Prop.)**